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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
January 1957

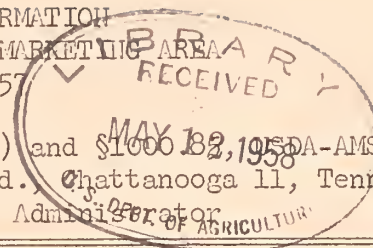
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Reserve

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Released Pursuant to \$1000.27 (j) and \$1000.82, 1958 DA-AMS
Federal Order No. 100, 3756 Ringgold Rd., Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator



MARKET SUMMARY JANUARY 1957

The Order MINIMUM uniform price payable to producers for milk delivered during January to plants located less than 65 miles from City Hall, Chattanooga, Tennessee and distributing milk in Hamilton, Bradley and McMinn Counties Tennessee is \$4.97 per cwt. f.o.b. plants for milk testing 4.0% butterfat. The butterfat differential is 7.1¢ for each one tenth of one percent above or below 4 percent. (See page 3) It is reported by Chattanooga Area Milk Producers Association that their negotiated premium price will be \$5.15 for January producer milk testing 4.0% butterfat.

During January 80.4 percent of total producer milk was priced in Class I at \$5.37 per cwt. with a handler butterfat differential of 7.8¢ and 19.6 percent was priced in Class II at \$3.53 per cwt. with a butterfat differential of 6.8¢. (See page 3) The percent of producer skim and butterfat priced in Class I was 81.1% and 65.0% respectively. The daily average of producer milk during January increased 2.2 percent compared with December. The daily average use of Class I increased 6.3 percent compared with December 1956.

The Order MINIMUM Class I price for February 1957 is \$5.36, a decrease of 1 cent under the January Class I price. The average Mid-West Condenseries price, being the highest of the four alternate price formulas, was used to compute the Class I price for February. It is reported by Chattanooga Area Milk Producers Association that a minimum Class I price of \$5.60 for February 1957 was negotiated with certain handlers.

MILK PRODUCTION AND NUMBER OF PRODUCERS BY COUNTIES DURING DECEMBER 1956

County	Total Lbs. Delivered	Daily Avg. Deliveries	% of Total	No. of Prods.	% of Total	Daily Avg. Lbs. per Farm
<u>Tennessee</u>						
Hamilton	1,234,434	39,820	10.77	67	8.39	594
Bradley	2,377,541	76,695	20.75	183	22.90	419
McMinn	2,704,165	87,231	23.60	192	24.03	454
Polk	470,182	15,167	4.10	25	3.13	607
Meigs	481,972	15,547	4.21	41	5.13	379
Loudon	169,649	5,473	1.48	10	1.25	547
Monroe	365,848	11,802	3.19	24	3.00	492
Rhea	440,083	14,196	3.84	35	4.38	406
Bledsoe	176,276	5,686	1.54	14	1.75	406
Sequatchie	425,218	13,717	3.71	29	3.63	473
Marion	476,234	15,362	4.16	38	4.76	404
Franklin	233,314	7,526	2.04	17	2.13	443
<u>Georgia</u>						
Walker	687,101	22,165	6.00	40	5.01	554
Catoosa)						
Dade) 1/	745,979	24,064	6.51	42	5.26	573
<u>Alabama</u>						
Jackson	314,180	10,135	2.74	20	2.50	507
DeKalb	156,668	5,054	1.36	22	2.75	230
<u>Total Market</u>	11,458,844	369,640	100.00	799	100.00	463

1/ One producer included with Catoosa County.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

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	Jan. '57	Dec. '56	Nov. '56	Oct. '56
<u>Number of Plants Reporting - Pool</u>	16	16	17	17
Non-Pool	4	4	4	4
<u>GROSS RECEIPTS (DAILY)</u>				
Producer Milk Pounds	377851	369640	379384	363204
% January '57 compared with:	100.0	102.2	99.6	104.0
Other Source Milk Pounds	22710	23597	22598	28204
<u>TOTAL MILK POUNDS</u>	400561	393237	401982	391408
% January '57 compared with:	100.0	101.9	99.6	102.3
<u>GROSS UTILIZATION (DAILY)</u>				
Class I Milk Pounds				
Fluid Milk	270967	254917	277541	282327
Buttermilk	36768	34682	37725	37138
Chocolate Milk	6650	5990	6713	7295
Fluid Skim	5313	4313	4883	4847
Fluid Creams	1944	1994	1965	1763
Bulk Milk and Cream to Non-Handlers	717	599	3413	6352
Class I Shrinkage	612	1464	1796	2029
Inventory Reclassification	(568)	(716)	(885)	(531)
Overstated Sales	-0-	-0-	(256)	(81)
<u>TOTAL CLASS I MILK</u>	322403	303243	332895	341139
% January '57 compared with:	100.0	106.3	96.8	94.5
Class II Milk Pounds (Used to Produce)				
Butter	6003	5128	5639	4623
Cheddar and Cottage Cheese	6765	5766	10087	9743
Powder and Condensed Milk	39923	55071	35353	18336
Ice Cream	12834	14180	12203	11393
Inventory Variation	5772	(736)	(1465)	(189)
Other 1/	6861	10585	7270	6363
<u>TOTAL CLASS II MILK</u>	78158	89994	69087	50269
% January '57 compared with:	100.0	86.8	113.1	155.5
% Producer Milk of Gross Class I	117.2	121.9	114.0	106.5
% Producer Skim of Gross Class I Skim	116.1	120.8	112.9	105.5
% Producer Bf. of Gross Cl. I Bf.	145.0	150.0	141.5	131.4
% Producer Milk Priced in Class I	80.4	77.0	82.9	88.2

1/ Includes stockfeed, sour cream, eggnog, overage and shrinkage.

FEBRUARY 1957 CLASS I PRICE ANNOUNCEMENT

The handler Minimum Class I price under the Chattanooga Order is computed each month from a formula. For the current month a so-called basic formula price is determined from milk and dairy product price quotations for the prior month (See page 4) to which is added a Class I price differential of \$1.75 per cwt. for producing Grade A milk. The basic formula price is the highest of four alternative prices: (1) The average price paid farmers for manufacturing milk by thirteen representative Mid-West Condenseries, (2) A price computed for milk used to produce butter and cheese based upon the average price of 92 Score Wholesale Chicago butter and the average price for cheese on the Wisconsin Cheese Exchange, (3) A price computed for milk used to produce butter and powdered milk based upon the average price of 92 Score Wholesale Chicago butter and the average wholesale price of spray and roller process powdered milk in the Chicago area and (4) The average price paid by four representative Tennessee cheese and condensing milk plants.

The February Class I price computation is summarized as follows: (See page 4)

Basic Formula price (January Mid-West Condenseries)	\$3.61
Class I Differential	1.75
Class I Price, 4.0% butterfat f.o.b. pool plants	\$5.36

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR JANUARY 1957
Based on 20 plant reports prior to audit

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	Class %	Milk Pounds	Butterfat Test	Price @ Test	Value
Gross Class I		9994472	3.663		
Less Other Source		578765	3.598		
Producer Milk Class I	80.4	9415707	3.666958	\$5.110227	\$481164.00
Gross Class II		2422911	7.658		
Less Other Source		125241	0.000		
Producer Milk Class II	19.6	2297670	8.075746	6.301507	144787.84
TOTAL PROD. (Cl. I + Cl. II)	100.0	11713377	4.531776		625951.84
Add Fractional Adjustment					-
Add Unpriced Milk Allocated to Cl. I		233312		0.40	933.24
Add Overage Value					163.08
Add Inventory Reclass. Value					-
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					4644.02
TOTAL VALUE AT TEST		11713377	4.531776		631692.18
Less Test Over 4% @ 7.1¢ per point		11713377	.531776		44225.14
TOTAL VALUE AT 4%		11713377	4.000000	5.015352	587467.04
Less Producer-Settlement Fund Reserve		11713377		.045352	5312.25
UNIFORM PRICE f.o.b. POOL PLANT (0-65 Miles)		11713377	4.0	4.97	582154.79

JANUARY 1957 MINIMUM PRODUCER PRICES f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.1¢ PER POINT (Excludes Premiums)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$4.26	3.6	\$4.686	4.2	\$5.112	4.8	\$5.538	5.4	\$5.964
3.05	4.2955	3.65	4.7215	4.25	5.1475	4.85	5.5735	5.45	5.9995
3.1	4.331	3.7	4.757	4.3	5.183	4.9	5.609	5.5	6.035
3.15	4.3665	3.75	4.7925	4.35	5.2185	4.95	5.6445	5.55	6.0705
3.2	4.402	3.8	4.828	4.4	5.254	5.0	5.68	5.6	6.106
3.25	4.4375	3.85	4.8635	4.45	5.2895	5.05	5.7155	5.65	6.1415
3.3	4.473	3.9	4.899	4.5	5.325	5.1	5.751	5.7	6.177
3.35	4.5085	3.95	4.9345	4.55	5.3605	5.15	5.7865	5.75	6.2125
3.4	4.544	4.0	4.97	4.6	5.396	5.2	5.822	5.8	6.248
3.45	4.5795	4.05	5.0055	4.65	5.4315	5.25	5.8575	5.85	6.2835
3.5	4.615	4.1	5.041	4.7	5.467	5.3	5.893	5.9	6.319
3.55	4.6505	4.15	5.0765	4.75	5.5025	5.35	5.9285	5.95	6.3545

1957 BASE NOTICE

The average daily bases that producers established during the months of September, 1956 through January, 1957 will be announced by the Market Administrator before March 1, 1957. If any producer who established a base does not receive a base notice, he should contact the office of the Market Administrator. During the months of March through July, 1957 all Chattanooga producers will receive settlement for their milk at a base price and an excess price. The milk delivered by each producer above his monthly base will be paid for at the excess price. If base deliveries are less than Class I utilization, the excess price will be increased to the extent excess milk is used in Class I.

ACTIVITIES OF CHECK TESTERS JANUARY 1957: Plant calls 130; Composite samples tested 3049; Fresh samples tested 3775; Handler finished products tested 86; and Plant scales checked 3.

SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES					HANDLER CLASS PRICES			
	Per hundredweight					Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.		Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Sept. '56	\$5.00	1/	-	-	7.2¢	\$5.28	7.7¢	\$3.57	6.9¢
Oct.	5.08	1/	-	-	7.3¢	5.32	7.8¢	3.60	7.0¢
Nov.	5.02	1/	-	-	7.4¢	5.35 1/	7.9¢	3.65	7.1¢
Dec.	4.93	1/	-	-	7.2¢	5.40 1/	8.0¢	3.55	6.9¢
Jan. '57	4.97	1/	-	-	7.1¢	5.37 1/	7.8¢	3.53	6.8¢
Feb.	-	-	-	-	-	5.36 1/	7.7¢	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS			ALTERNATIVE FORMULAS				Highest or Basic Formula
	Chi.92° Butter	Chi.Area Powders	Wisc. Cheese	Cond. Mid-West	Butter-Cheese	Butter-Powder	4 Tenn. Milk mfgs	
	¢ lb.	¢ lb.	¢ lb.	\$-cwt-4%	\$-cwt-4%	\$-cwt-4%	\$-cwt-4%	
Jan. '56	57.375	14.430	31.750	3.47	3.12	3.43		3.47
Feb.	57.375	14.135	31.750	3.43	3.12	3.43		3.43
Mar.	57.375	14.205	31.700	3.39	3.12	3.43		3.43
Apr.	58.280	14.460	32.833	3.38	3.18	3.47		3.47
May	59.170	14.470	33.164	3.40	3.23	3.52		3.52
June	59.125	14.305	33.170	3.40	3.23	3.51		3.51
July	59.208	14.155	33.188	3.41	3.23	3.52		3.52
Aug.	59.462	14.310	33.175	3.44	3.24	3.53	3.08	3.53
Sept.	60.283	14.280	33.172	3.54	3.28	3.57	3.12	3.57
Oct.	60.842	14.225	33.094	3.58	3.30	3.60	3.16	3.60
Nov.	61.881	14.305	33.000	3.63	3.35	3.65	3.21	3.65
Dec.	59.934	14.270	33.062	3.62	3.26	3.55	3.21	3.62
Jan. '57	59.386	14.275	33.250	3.61	3.24	3.53	3.26	3.61

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS POUNDS MILK 2/					Number of		Deliveries Per Farm -- Pounds			Prod. Milk Test
	Class I	Producer	Base	Excess	Total	Plants	Prods.	Prod.	Base	Excess	
Sept. '56	327083	349163	-	-	372556	21	803	435	-	-	4.43
Oct.	341139	363204	-	-	391408	21	852	426	-	-	4.51
Nov.	332895	379384	-	-	401982	21	849	447	-	-	4.58
Dec.	303243	369640	-	-	393237	20	799	463	-	-	4.51
Jan. '57	322402	377851	-	-	400561	20	801	472	-	-	4.53

JANUARY MARKET SUMMARIES - 16 POOL PLANTS AND 4 NON-POOL PLANTS

Classification by Source

	Total		Class I		Class II	
	Pounds	%	Pounds	%	Pounds	%
Producer Milk	11713377	94.3	9415707	94.2	2297670	94.8
Other Source Milk	704006	5.7	578765	5.8	125241	5.2
Total	12417383	100.0	9994472	100.0	2422911	100.0

Classification by Use

	Total		Producer Milk		Other Source	
	Pounds	%	Pounds	%	Pounds	%
Class I	9994472	80.5	9415707	80.4	578765	82.2
Class II	2422911	19.5	2297670	19.6	125241	17.8
Total	12417383	100.0	11713377	100.0	704006	100.0

1/ Excludes Premium

2/ Other Source equals difference between Producer and Total: Class II equals difference between Class I and Total